



Iowa Department of Transportation

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November 1, 2012

TO: The Honorable Terry Branstad
Governor

Michael E. Marshall
Secretary of the Senate

Charlie Smithson
Chief Clerk of the House

FROM: Paul Trombino III 
Director

RE: H.F. 2460 – Report concerning Small Businesses and
Disadvantaged Business Enterprises

Pursuant to H.F. 2460, passed during the 2010 session of the 83rd Iowa General Assembly, please find attached the recommendations regarding methods to track and assess the participation of small businesses and disadvantaged business enterprises (DBE) in receiving nonfederal highway funding.

If you have any questions, please let me know.

PT:sa

Attachment

House File 2460 Calendar Year 2012 Report
Iowa Department of Transportation
October 31, 2012

House File 2460, passed during the 2010 session of the 83rd Iowa General Assembly, requires the Iowa Department of Transportation (DOT) to provide recommendations to the General Assembly and to the Governor regarding methods to track and assess the participation of small business and disadvantaged business enterprises (DBE) in receiving nonfederal highway funding (See Attachment 1). This report fulfills that requirement.

In response to this requirement, the Iowa DOT recommends to the General Assembly and the Governor that the Iowa DOT annually collect small business contract (SBC) data and report it in Excel spreadsheet format to the General Assembly and the Governor. It is recommended the following information be included in the report:

Pre-Letting Information

Letting Date

Number of Small Business Contracts

Number of Requested Bidding Documents

Number of New DOT Bidders

Number of Existing DOT Bidders

Awarded Contract Information

Low Bid Contractor

Dollar Amount of Awarded Contract

Awarded Contractor - New DOT Bidder

Awarded Contractor -Existing DOT Bidder

Awarded Contractor- DBE Certified

The summary should also include DOT actions to be taken in reaction to identification of program areas that can be modified or improved to better achieve intended outcomes of the program.

Consistent with this DOT reporting recommendation, an Excel spreadsheet (See Attachment 2) and summary of calendar year 2012 SBC program accomplishments to date (See Attachment 3) are provided.

HF 2460- Section 4
83rd General Assembly

Sec. 4. PARTICIPATION GOALS == SMALL BUSINESSES AND DISADVANTAGED BUSINESS ENTERPRISES.

1. The department of transportation, in cooperation with organizations that represent highway contractors, shall submit recommendations to the general assembly and the governor by November 1, 2010, concerning methods to track and assess the participation of small businesses and disadvantaged business enterprises in receiving nonfederal highway funding. The recommendations may include methods to assess the effort on the part of contractors to achieve participation by small businesses and disadvantaged business enterprises and may involve the establishment of participation goals. Following the consideration and adoption of recommendations by the general assembly, the department shall annually review the small business and disadvantaged business enterprise participation achievements of contractors who were awarded contracts for nonfederal aid highway projects with the department.

2. The department shall work in cooperation with organizations that represent highway contractors, small businesses, and disadvantaged business enterprises to maintain communication among the entities to further the dissemination of information about contract and training resources that are available from the department.

2012 SBC Data By Letting Date

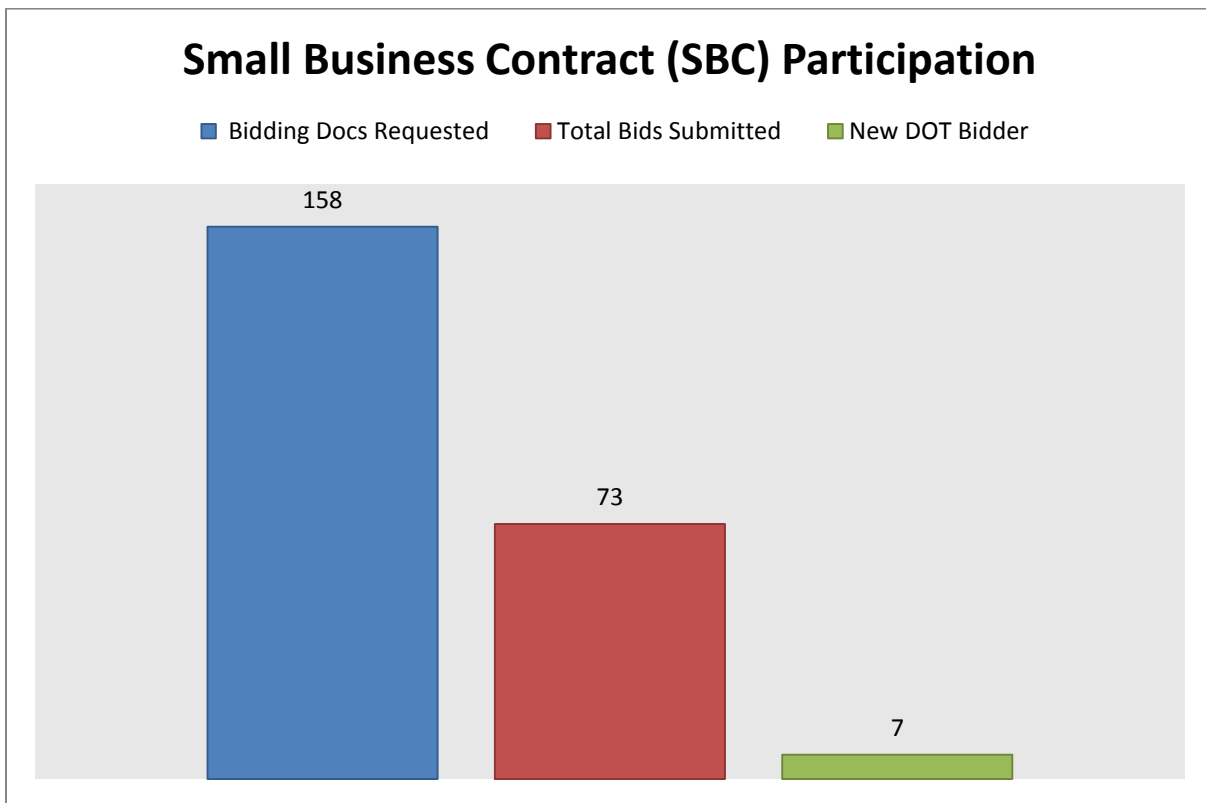
Letting Date	Bid Order	Contract Type	Bid Winner	Low Bid Amount	New SBC Winner	New Bidder Winner	Bid Docs Requested	Total Bids Submitted	New SBC Bidders	New DOT Bidder
8				\$689,860.14	5	4	158	73	12	7
1/18/2012	981	Pipe Culverts	K & L Landscape & Construction, Inc.	\$26,241.00	No	No	8	3	0	0
1/18/2012	982	Clearing & Grubbing	Finco Tree Service	\$9,005.50	No	No	10	7	1	1
1/18/2012	983	Fencing	Taylor Fencing	\$25,302.50	No	No	10	5	1	1
2/21/2012	981	Slide Repair	Kinman Co., Inc.	\$85,860.05	No	No	14	6	1	0
3/20/2012	981	Rip-Rap	Legacy Corporation	\$69,922.50	Yes	Yes	8	4	1	1
3/20/2012	982	Pipe Culverts	Nelson & Rock Contracting	\$10,062.00	No	No	7	3	0	0
4/17/2012	981	Pipe Culverts	Progressive Structures, LLC	\$57,113.00	Yes	No	8	5	3	1
4/17/2012	982	Delineator & Milepost Signs	Advanced Traffic Control, Inc.	\$47,547.00	Yes	Yes	8	5	1	1
4/17/2012	983	Clearing & Grubbing	Advanced Traffic Control, Inc.	\$36,267.00	Yes	Yes	15	4	2	1
4/17/2012	984	Delineator & Milepost Signs	Advanced Traffic Control, Inc.	\$29,670.50	Yes	Yes	8	5	10	1
4/17/2012	985	Clearing & Grubbing	Iowa House Fixers LLC	\$25,314.00	No	No	9	3	0	0
5/15/2012	981	Pipe Culverts	Progressive Structures, LLC	\$62,725.00	No	No	8	3	0	0
5/15/2012	982	Storm Sewer/Intakes	Nelson & Rock Contracting	\$14,100.00	No	No	8	3	0	0
6/19/2012	981	Fencing	Southern Iowa Debris Removal	\$38,719.97	No	No	5	2	0	0
6/19/2012	982	Clearing & Grubbing	Iowa House Fixers LLC	\$49,816.00	No	No	8	5	0	0
6/19/2012	983	Rip-Rap	Southern Iowa Debris Removal	\$23,659.72	No	No	3	3	0	0
7/17/2012	981	Pipe Culverts	Nelson & Rock Contracting	\$31,825.00	No	No	9	3	0	0
8/21/2012	981	Pipe Culverts	Riehm Construction	\$46,709.40	No	No	12	4	1	0

2012 Small Business Contract Summary

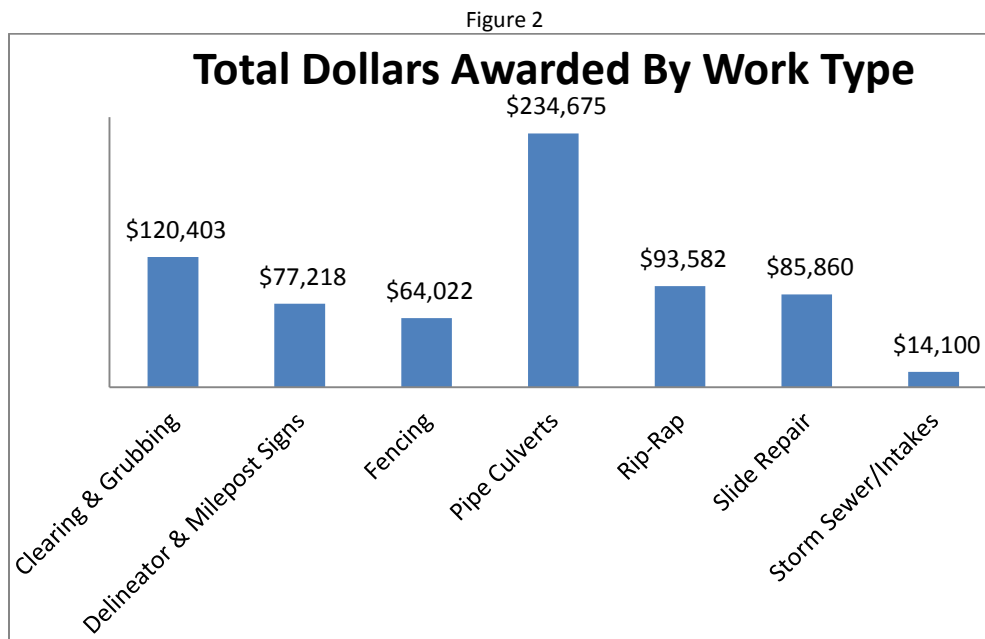
Prior to the passage of House File 2460, the Iowa DOT began a pilot program to let for bid small business contracting (SBC). The self-certification process started in late 2009 with anticipation of the first SBC be let in January 2010. Contractor involvement in the SBC program implementation included discussions at the Annual AGC/DBE/DOT Task Force Meeting and a Targeted Small Business Workshop. Informational articles about the SBC program were included in the DOT's Weekly Letting Report Newsletter and Civil Rights Semi-Annual Newsletter. In addition, information was posted to the DOT's Office of Contracts Web page. The results of the program to date are as follows.

There were eight lettings in 2012 with a total of 18 SBCs awarded. The program generated 158 requests for bidding documents from interested contractors. Of those, 73 actual bids were submitted. There were seven new contractors who registered and submitted bids with the DOT on SBCs (See Figure 1). The "low bidder" dollar amounts awarded totaled \$689,860.14.

Figure 1



Most of the dollars awarded were for the SBC work types of pipe culverts (with six contracts totaling \$234,675) and clearing & grubbing (with four contracts totaling \$120,403)(See Figure 2).



The projects were located across the state of Iowa with a minor concentration in central Iowa as shown on the Google map below (See Figure 3).



The 18 total contracts let were awarded to 11 contractors. Of those 11 contractors, five were new bidders with the DOT (See Figure 4) and account for 35 percent of the awarded SBC funds (See Figure 5).

Figure 4

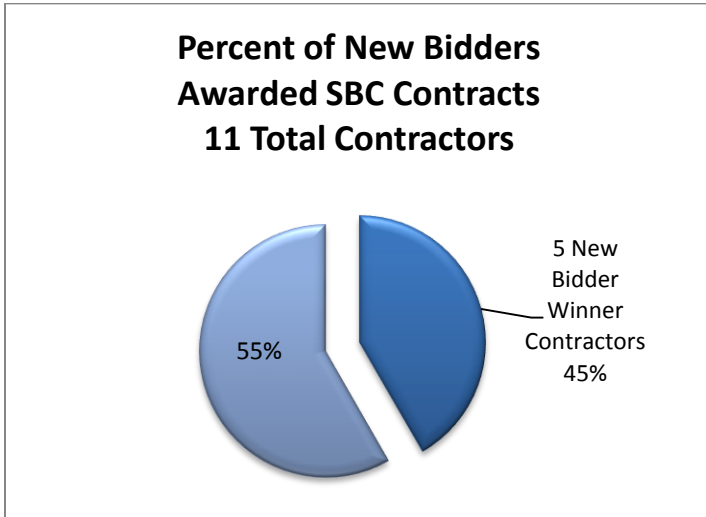
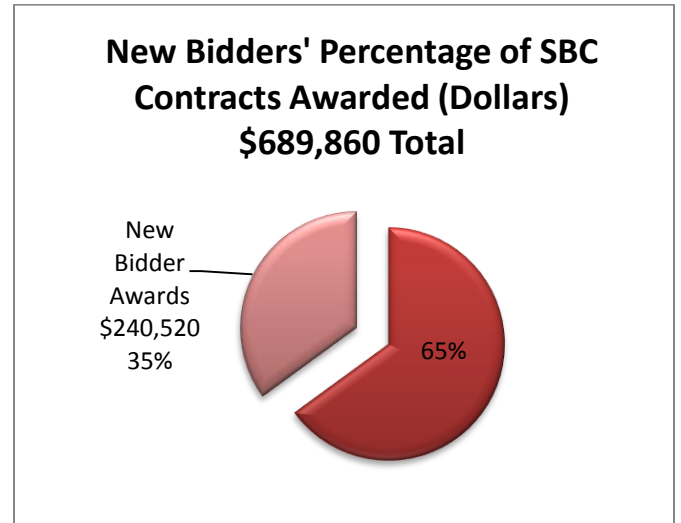
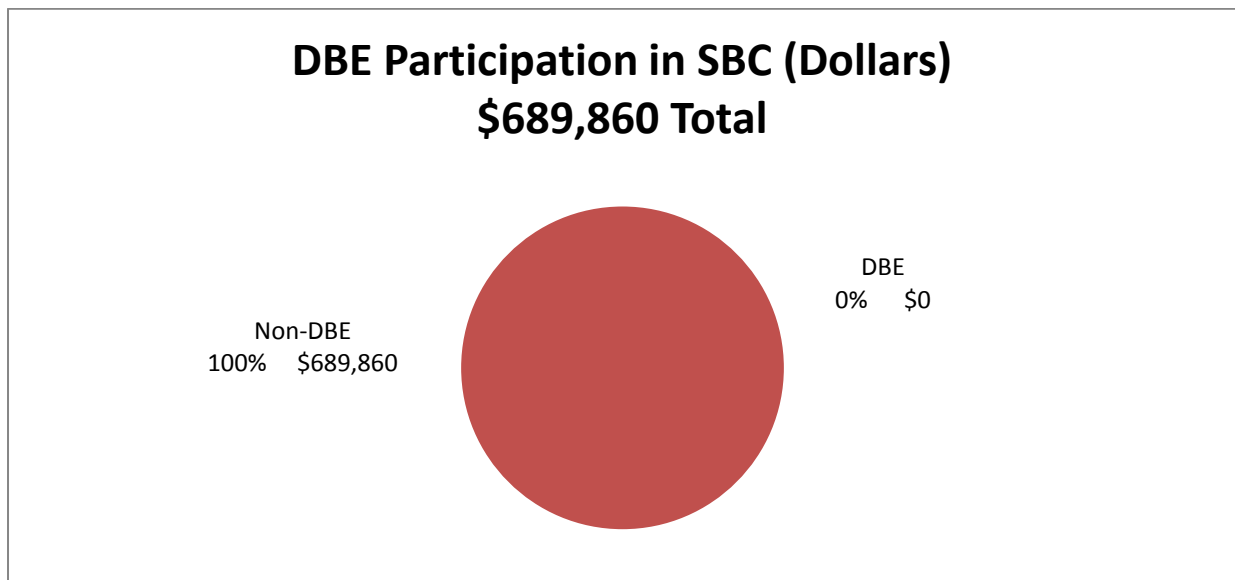


Figure 5



No DBEs were awarded SBC contracts (See Figure 6).

Figure 6



Future Actions

Due to the difficulty to secure a performance bond by SBC low bidders, the DOT's administration of the SBCs changed with the April 2011 letting. The DOT's Office of Contracts and Office of Employee Services - Civil Rights waived the performance bond requirements on contracts under \$25,000, as permitted in Iowa Code section 573.2. Consequently, a sub-contractor, as a materials supplier and equipment rental company, filed a 573 claim from lack of payment by a Prime on a SBC contract. Monitoring will continue by the Office of Employee Services - Civil Rights, to evaluate the effectiveness of the performance bond waiver. In addition, the allowance of sub-contracting has presented extra compliance requirements and the consideration to remove sub-contracting is being evaluated on future contracts.

Information will continue to be provided to the public through the Iowa DOT's Civil Rights Web site which will include updates, newsletters and area meetings with public involvement. In addition, the Iowa DOT will increase their efforts to provide contracts near the northern and western borders of the state. These efforts will continue and expand to include new SBC opportunities along the southwestern and northeastern parts of Iowa.